

Central and Eastern Europe is 309 euros. In Lithuania, with respect to this indicator, they reach almost the average level of the CEE countries. On the other hand, however, the insurance density in Ukraine (30 euros) lags behind the indicator, both from Bulgaria, Lithuania and other CEE countries, and also from the CIS countries where the average amount of the indicator is EUR 77.

For the successful development of the insurance market and reaching the levels in the European Union it is necessary to offer new insurances and a new way of offering the insurance service in connection with the increase in the development of information technologies in recent years.

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## MUNICIPAL REFORM AS A MEANS TO PROVIDE NATIONAL IDENTITY UNDER CONDITIONS OF GLOBALIZATION

**Summary.** *The article considers the vital component of regional integration and development of administrative-territorial systems. The analysis of the formation and development of the administrative-territorial systems of the most European countries, the U.S.A., and Ukraine has been carried out. The study of municipal governance in the conditions of globalization was conducted. The main problems of administrative activity in modern conditions of municipal system reforming are analyzed. The influence of globalization on the socio-economic development of municipalities was analyzed. The basic models of the organization of management of administrative-territorial systems of the municipal level were investigated.*

**Key words:** *municipal reform, corporate transformation, municipal management, globalization, local governing institutions, European Union.*

**Problem statement.** Modern trends of human civilization development are characterized with a number of integrative processes where globalization processes, regional integration, and municipal reform are the most considerable.

They are marked with vector diversification and their objective is to curb destabilizing and fracturing impact upon the stability and unity of global and national systems for the forces of contrary directions.

Problems of globalization and regional integration became the headlines in the latest scientific research. However, the investigations of phenomena on the primary levels of regional hierarchy within national entities are behind of scientific research and called municipal reform in authentic interpretation. Highlighting of the mentioned global trend will facilitate completing the image of world architectonic system of 21<sup>st</sup> century and identifying the levers to provide its anti-crisis development.

The system analysis of the genesis of formation and development of administrative-territorial system of the most European countries, the U.S.A., Canada, Australia allows to state that municipal reform is a process of reinforcement of organizational and legal autonomy as well as resource supply of municipal units aiming to ensure national identification under conditions of globalization and regional integration.

The manifestations of municipal reform are: institutional reform of administrative-territorial system on the primary level; transformation of quantitative and qualitative features of public services being rendered to publics on the municipal level due to subsidiarity principle; implementation of modern technology for management of local development on the basis of municipal management; corporate transformation of municipal units; growth of local budgets' share in consolidated national budgets; creation of national and international systems of political and economic protection of municipal autonomy; potential growth of internal and international links between municipal units. The mentioned manifestations of municipal reform are not separated but mutually stipulated, interlinked and they perfect each other.

According to the laws of functioning of dynamic organizations like national units the "developing organization" requires stability. Inevitable constituent of stability of economic, social and political development is institutional administrative-territorial system on the primary level that is characterized with such features as vitality of basic administrative-territorial units possessing sufficient resources for development; conformity of administrative-territorial units with principles of decentralization and democracy; overall development of market institutions' infrastructure under view-point of administrative-territorial units. Institutional transformation of administrative-territorial system is intrinsic to both developed and developing countries with the only difference that the latter simultaneously form the market economy institutions as well sovereign ones, which determine eventually the dynamics and directions of market transformations. The mentioned-above process took or is currently taking place on the basis of on-going administrative-territorial or municipal reforms. Thus, pre-reform administrative-territorial system of Scandinavian countries, France, post-socialist states was

characterized with: excessive diversification of administrative-territorial units, absence of full-value local autonomy, underdevelopment of economic fundamentals for basic administrative-territorial units. The reform of administrative-territorial system on the primary level as a manifestation of municipal transformation is directed to: formation of municipal items as basic administrative-territorial units, which are subjects of economic, social and political relations and able to compete on national and regional levels on the basis of resourceful and managerial integration of communities; transformation of managerial model with development of basic territorial communities of basic level on the managerial fundamentals; creation of conditions for partnership triangle “authorities – business - community”, formation of economic base for application of economic regulators to support business development by local authorities. Analysis of transformative processes on municipal level in European countries allowed due to the process depth to differentiate three groups of states: 1) countries, which fulfilled administrative-territorial reform (Sweden, France, Poland, Hungary, Latvia, and Bulgaria); 2) countries, which are currently under administrative-territorial transformation (Russia); 3) countries retaining post-Soviet administrative-territorial system (Ukraine, Belarus).

The general trend to transform the managerial model for development of basic territorial units in the world is refusal from European conservative legal model and implementation of principles of American administrative system basing on managerial technologies [1]. It is the process that is central manifestation of municipal reform, which secures the adequacy of municipal development under conditions of dynamic environment as globalization requires situational approach to communal management. Technologies of municipal management are forwarded to implement the strategy of municipal development detailing and strengthening general strategies of national development. Nowadays the municipal level looks like the polygon for implementation of managerial, economic, and social innovations.

Adherence of rights and freedoms of local authorities through securing of their maximal independence is an object of contemporary monitoring made by national governments, security agencies, EU, NATO and other international organizations. Creation of favorable conditions for comprehensive municipal development is one of the criteria to assess the integration processes within European and North-Atlantic structures.

Corporate integration of municipal units as a constituent of municipal reform aims to usage of their potential as systems being originally the corporations. So, the majority of municipalities in West-European countries are natural corporations functioning as competent market entities with the purpose to get economic results for local communities. In this context the most interesting is the experience of France where the uniting of communities is being practiced in the form of associations of local authorities (municipal

syndicates) which are treated like legal entities founded by local communities. Corporate transformation is one of the most efficient technologies of anti-crisis and financial municipal management.

Local finance according to its development rates exceeds growth rates of centralized financial resources. Due to European and American expert assessment the local budgets' share in consolidated national budgets annually grows on 0,5-0,7 per cent that indicates the reinforcement of basic administrative-territorial units. The share of local taxes and revenues obtained from economic operations of municipal entities (revenues from profitable municipal organizations, emission of securities, corporate financing etc.) [2].

It is remarkable that municipal entities of a lot of countries become the subjects of international political, economic and cultural relations. Due to assessment of European Council over 8,000 collaboration agreements in different spheres between basic European communities particularly within the framework of Euro-regions institutions and cities-partners have been concluded for the last decade [3]. Bilateral and multilateral links between municipalities became an instrument to exchange with technologies of municipal management under the process of managerial innovations' transfer.

Simultaneously with development of local self-governing the interest of domestic scholars and practitioners to foreign experience grows. The studies of centuries-old experience of self-governing in developed countries facilitates the possibility of its usage in Ukraine. It goes without saying, here one should not mention the full-scale transplantation of this or that local governing system on the national ground as Ukraine like any other state has its own historic traditions, mental, political, social & economic peculiarities that determine the conditions of local governing formation.

Practical implementation of integration of Ukraine into European Union, necessity of real adherence of European Charter requirements demands the securing the accordance of municipal management with European models of low level communities management. This problem is peculiarly relevant due to objective necessity of administrative-territorial reform in Ukraine.

One has to run comparative analysis of valid practice of municipal management in European countries for investigation of peculiarities of municipal reform in certain countries. Such analysis should be based on some indicators defining the character and special features of municipal reform (Table 1).

Table 1

### Indicators to Assess the Level of Municipal Reform of National Economic Systems

Indicators	Indicator Contents	Analysis Parameters
Dominating theory of local self-government	Conceptual fundamentals of national self-governance that define its location power implementation originated from people	<ul style="list-style-type: none"> <li>- constitutional fundamentals of local self-governance;</li> <li>- role of local community in implementation of self-government.</li> </ul>
Model of power diversification between center and territories	Character of authority diversification between center and territories that define the vector of power influence	<ul style="list-style-type: none"> <li>- rate of power centralization and decentralization;</li> <li>- responsibility level of local authorities;</li> <li>- role of central authorities in local budgeting.</li> </ul>
Territorial fundamentals of municipal management	розвитку муніципальних утворень Characteristics of managerial capacities of basic level of administrative-territorial system from the view-point of complex development of municipal entities	<ul style="list-style-type: none"> <li>- size of primary territorial community in terms of total area and number of inhabitants;</li> <li>- possibility to unite different communities in one.</li> </ul>
Local self-governance model	Rate of external managerial and resourceful influence upon local self-government in terms of social and economic development support	<ul style="list-style-type: none"> <li>- autonomy rate of local authorities in determination of development strategy for municipal entities;</li> <li>- local budget subsidy rate.</li> </ul>
Construction of organizational structures of municipal management	Features defining the organization type of representative and executive branches of local self-government	<ul style="list-style-type: none"> <li>- flexibility and mobility of managerial bodies;</li> <li>- application of functional and program-objective approach to municipal management;</li> <li>- managerial capacity of representative bodies within local self-government.</li> </ul>
Possibilities to apply instruments of municipal management	Existence of potential fundamentals of managerial approach for complex development of municipal entities.	<ul style="list-style-type: none"> <li>- institutional barriers for municipal management instruments;</li> <li>- resourceful capacity of economic base at local self-government via its asset and financial constituents;</li> <li>- methodological base for application of municipal management technologies.</li> </ul>

Analysis of theoretical fundamentals of local governing should be carried out from the view-point of determination of theoretic level of local self-government in order to define the special features of power implemented by local community autonomously and directly through the institutions of local

governing: statist, public and power of municipal dualism.

One of the key questions of self-government is the volume of authorities. Practical answer to this problem is in implementation process of functional interaction model “center - area”, investigation of which has special meaning for comparison of municipal management systems in Europe.

As it was mentioned above, European countries use different models of interaction between local governing institutions and central authorities due to different rate of autonomy of local governing institutions. Mainly, they are determined by state system (federal or unitary). The most wide-spread is an approach, which defines relative autonomy model with the typical characteristics like independence of self-government, freedom of actions within legal limits, restricted control of local authorities by central power, considerable inflow of revenues from local taxes.

Local governing institutions perform the following functions: securing of public laws and order (local courts and police), health care and well-being, improvement of welfare, functioning of private clinics, resorts, jails, organization of ritual services, environmental protection, infrastructure functions (roads, bridges, water ways, transport, ports, dikes and moorages), land use, water supply and canalization, gas and electricity supply; parks and squares, education and culture (schools, laboratories, research institutions, libraries, lyceums, theatres, museums, art galleries).

Another approach to study the models of management organization, which can be found in scientific literature, is historical-national. Due to this approach they differentiate: Anglo-Saxon, continental (French) and Soviet models. Due to rate of autonomy of local communities and recognition of local freedom the scholar R. Drago differentiates four models of local self-government: federalism, self-governing, decentralized, and centralized ones [4].

The analysis of differences in character and nature of municipal management in European countries gives the possibility to differentiate two principally contradicting models: paternalistic and self-governing,

Paternalistic model (from Latin ‘paternus’ - father) appeared in the sphere of labor relations at the end of 19<sup>th</sup> – beginning of 20<sup>th</sup> century in foreign countries as a form off full-scale social fostering of employees by business entities. This model was mostly wide-spread in Japanese companies. It was transplanted to Soviet soils under the context of risk management in primary territorial entities and turned out to be a means of governmental support of basic territorial communities. The momentum of this model is now sporadically spotted in Russian Federation, Moldova, Belarus, and Ukraine. The brightest manifestation of this model is characterized by subsidy ratio, which determines the governmental subsidies’ share in aggregate volume of local self-governments’ revenues.

The alternative to paternalistic model to implement the functions of municipal management is self-governing model. According to this model the central element of local governing is territorial community, which directly or

through elected local governing institutions solves local problems and defends local interests by utilizing its own economic resources. It is this model that was used in European Charter of Local Governing, which determines the ways of local governing development in modern Europe. It is based on subsidy principle assuming that issues, which are likely to be solved on the lower levels of management, should not be transferred up to the top management. The self-governing model of functions implementation in local development is intrinsic to the most countries of European Union [5].

The evaluation of municipal reform in European countries due to indicator of municipal management model shows that the less local taxes and payments share in local budgets is, the higher level of dependence of local governing institutions from governmental taxes and duties as well as state transfer deeds is, that indicates on higher level of state paternalism in the sphere of municipal management. According to European Charter of Local Governing, local taxes and duties should make up at least a half of revenues to local budgets. The highest level of state paternalism corresponds to low fiscal independence of local budgets and is inherent to Ukraine, Great Britain, Bulgaria, and Latvia.

Financial resources of lower level territorial communities are based on local budgets and are the main factor of self-government stability.

According to the principle of organizational autonomy of local governing that is based on European Charter of Local Governing, every local governing institution must have the possibility to build individually its internal structure, which has to correspond to local requirements and organize efficient management. Legally acting local governing institution does not obey to other bodies, and any other administrative control after its activities is possible only for securing legality and constitutional principles of local self-government [6].

Formation of local representative and executive governing institutions is strictly determined by the legal system that on the local level often results in creation of commonplace inflexible managerial structures, which do not meet the requirements of a territory. Predominant application of branch approach instead of functional one during the process of formation of local executive governing institutions on the lower level does not allow concentrating of operations aiming to implement certain managerial functions that secure management of primary administrative territorial entities as systems within separate detachments. Thus, the analysis of organizational structure of executive bodies at city councils of regional centers in Ukraine exposed the dominating role of departments created due to branch approach: departments of transports, public utilities, industry.

Indicator of possibility to use municipal management instruments in activities of local governing institutions points out the formation of pre-conditions to changes in management of lower level territorial communities development, that is based on administrative implementation of authority and regulatory-legal acts by local governing institutions, to pure management. It, in turn, stipulates reconstruction of managerial structures and organization of

municipal management in foreign countries that results in elimination of bureaucracy among managerial staff and imposition of adaptive principles in functioning of local governing institutions.

Generalization of municipal reform in the countries of European Union indicates that these states use complex approach to usage of economic instruments within municipal management. It facilitates maximal involvement the existing reserves for development of municipal entities on basis of flexible model of management. Nowadays there is on-going exchange of technologies of municipal management within the framework of the process of transfer deeds for managerial innovations [7].

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### PECULIARITIES OF CITY BRANDING

**Summary.** *The article discloses main peculiarities of city branding. Considering city as an object of marketing, the main specifics of its branding are analyzed and presented in a context of place and country branding. The key differences between city and country branding are presented.*

**Key words:** *branding, city branding, place marketing.*

**Problem statement.** Global development of tourism as an industry has led to the application of principles of marketing for places, cities, regions, or even countries. Attempts to apply marketing theory and principles to place have become a legitimate area of academic and ‘real world’ practice [11]. Branding